

# SB 2948

Measure Title: RELATING TO THE PUBLIC UTILITIES COMMISSION.  
Report Title: Public Utilities Commission; Expenditures; Hiring; Authority  
Description: Clarifies the Public Utilities Commission's authority concerning standard administrative practices, including operational expenditures and the hiring of personnel.  
Companion: [HB2587](#)  
Package: None  
Current Referral: CPN, WAM  
Introducer(s): BAKER, KAHELE, Espero, Nishihara



NEIL ABERCROMBIE  
GOVERNOR

SHAN S. TSUTSUI  
LT. GOVERNOR

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TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2014

THURSDAY, FEBRUARY 6, 2014  
9:15 A.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS, TO THE HONORABLE ROSALYN H. BAKER, CHAIR,  
AND MEMBERS OF THE COMMITTEE

SENATE BILL NO. 2948 - RELATING TO THE PUBLIC UTILITIES COMMISSION

DESCRIPTION:

This measure proposes to clarify the Public Utilities Commission's ("Commission") authority concerning standard administrative practices, including operational expenditures and the hiring of personnel.

POSITION:

The Division of Consumer Advocacy supports this measure.

COMMENTS:

Historically, the Commission has faced issues with respect to sufficient resources, both in terms of funds for operational requirements and the hiring and retention of personnel. This measure will facilitate the Commission's ability to efficiently address issues regarding operational expenditures and the hiring and retention of agency personnel. Given the requirements associated with various ongoing initiatives,

Senate Bill No. 2948  
Senate Committee on Commerce and Consumer Protection  
Thursday, February 6, 2014, 9:15 a.m.  
Page 2

such as renewable energy, energy efficiency, and liquefied natural gas, having a Commission that is able to access the necessary resources and hire the necessary personnel to analyze and support these initiatives is important.

Thank you for this opportunity to testify.

TESTIMONY OF HERMINA MORITA  
CHAIR, PUBLIC UTILITIES COMMISSION  
DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEE ON  
COMMERCE & CONSUMER PROTECTION

FEBRUARY 6, 2014  
9:15 a.m.

**MEASURE:** S.B. No. 2948

**TITLE:** Relating to the Public Utilities Commission

Chair Baker and Members of the Committee:

**DESCRIPTION:**

This measure proposes to clarify the authority of the Chairperson of the Public Utilities Commission ("Commission") concerning the hiring of personnel and operational expenditures.

**POSITION:**

The Commission supports this measure and would like to offer the following comments for the Committee's consideration.

**COMMENTS:**

The Commission appreciates the Legislature's recognition of the major transition that the Commission is currently undergoing due to increased workload complexity and increased mandated program responsibilities, particularly in the area of energy regulation. In order to fulfill its evolving set of responsibilities, a streamlined administrative process that clearly defines the authority of the Commission's Chairperson to make decisions on hiring and operational expenditures is necessary.

The supervision of attached agencies within the State is generally governed by the provisions of Section 26-35, Hawaii Revised Statutes ("HRS"), which attempts to delineate the administrative responsibilities and the authority of the department head to which the agency is attached. Specific provisions within the enabling chapter of the agency can help clarify the agency head's authority and administrative autonomy, and may clarify potential overlap of administrative authority between the department and its attached agency. Thus, the Commission believes that this measure will help avoid any future ambiguity regarding the Commission's autonomy and ability to hire the right personnel and/or make the necessary expenditures to support it in carrying out its various regulatory responsibilities within a legislatively-approved budget.

Thank you for the opportunity to testify on this measure.



COLLEGE OF SOCIAL SCIENCES  
**HAWAII ENERGY POLICY FORUM**  
UNIVERSITY OF HAWAII AT MĀNOA

**Hawaii Energy Policy Forum**

Amy Assebjørn, Office of US Congresswoman Tulsi Gabbard  
Joe Babin, Hawai'i Gas  
Warren Bollmeier, Hawaii Renewable Energy Alliance  
Albert Chee, Chevron  
Rep. Denny Cullman, Hawai'i State House of Representatives  
Elizabeth Cole, The Kohala Center  
Leslie Cole-Brooks, Hawai'i Solar Energy Assn  
Kyle Datta, Uupono Initiative  
Laura Dierenfield, Queen Lili'uokalani Trust  
Mitch Ewan, UH Hawai'i Natural Energy Institute  
Jay Fiedell, ThinkTech Hawai'i, Inc.  
Carl Freedman, Haiku Design & Analysis  
Sen. Mike Gabbard, Hawai'i State Senate  
Dan Giovanni, Hawaiian Electric Co.  
Mark Glick, State Energy Office, DBEDT  
Justin Gruenstein, City & County of Honolulu  
Dale Hahn, Office of Senator Brian Schatz  
Robert Harris, Sierra Club  
Michael Hamnell, Research Corporation of the UH  
William Kaneohe, Hawaii Institute for Public Affairs  
Jim Kelly, Kaula Island Utility Cooperative  
Darren Kimura, Energy Industries Holdings  
Kelly King, Pacific Biodiesel Alliance  
Kal Kobayashi, Maui County Energy Office  
Rep. Chris Lee, Hawai'i State House of Representatives  
Gladys Marrone, Building Industry Assn of Hawai'i  
Doug McLeod, Maui County  
Stephen Meder, UH Center for Smart Building and Community Design  
Lauren Monlez-Hernandez, Office of Senator Mazie Hirono  
Sharon Moriwaki, UH Social Sciences Public Policy Center  
Hermima Morita, Public Utilities Commission  
Ron Nelson, U.S. Defense Energy Support Center  
Tim O'Connell, U.S. Department of Agriculture, Rural Development  
Jeffrey Ono, Division of Consumer Advocacy, DCCA  
Darren Pal, Hawaiian Electric Co.  
Melissa Pavliček, Hawai'i Public Policy Advocates, LLC  
Wimlehn R. T. Park, Office of Congresswoman Colleen Hanabusa  
Rick Rocheleau, UH Hawai'i Natural Energy Institute  
Will Bolston, Hawai'i County  
Peter Rosegg, Hawaiian Electric Co.  
Riley Saito, SunPower Systems Corp  
Jeanne Schultz Alivai, Hawai'i Institute for Public Affairs  
Joelle Simonpietri, U.S. Pacific Command Energy Office  
Jim Spaeth, US Department of Energy  
H. Ray Starling, Hawai'i Energy  
Ben Sullivan, Kaula County  
Lance Tanaka, Tesoro Hawai'i Corp  
Maria Tome, State Energy Office, DBEDT  
Ah Linn Tamane, Hawai'i Government Employees Assn

Testimony of Sharon Moriwaki  
Co-chair, Hawaii Energy Policy Forum  
Before the

Senate Committee on Commerce and Consumer Protection  
Senator Rosalyn H. Baker, Chair  
Senator Brian T. Tanaguchi, Vice Chair

Thursday, February 6, 2014 at 9:15 a.m. - Conference Room 229

**IN SUPPORT OF SB 2948 – RELATING TO THE PUBLIC UTILITIES COMMISSION**

The Hawai'i Energy Policy Forum, an organization created in 2002, and comprised of 46 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environment and community groups, renewable energy industry, and federal, state and local government, including the neighbor islands. Our vision, mission, and comprehensive "10 Point Action Plan" serves as our guide in advancing Hawai'i's preferred energy goals.

SB 2948 would provide more direct (but still limited) control to the Chair of the Public Utilities Commission (PUC) over agency operational expenditures and retention of personnel.

Since its inception, one unanimous concern of the Forum members is the need to revitalize the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (DCA). Revitalization of these important regulatory agencies is essential in order to implement progressive energy policies. In addition to regulating utility expenditures of approximately \$4 billion dollars annually, the PUC is tasked with developing and implementing many technically complex policy matters that affect every one of Hawai'i's people on a day-to-day basis. As you are aware, legislation leaves many of the most difficult, sensitive and technical determinations to the PUC for ultimate resolution and implementation. To successfully fulfill these challenging duties the PUC must have the needed resources, including sufficient and capable staff.

The PUC faces exceptional challenges in recruiting and maintaining the specialized staff needed to provide the unique nexus of technical, economic, policy, and legal expertise necessary for enlightened energy regulation. The Forum has formally recognized this as the single most important need to ensure effective implementation of progressive energy policy.

The PUC is funded through the Public Utilities Commission Special Fund (PUC Special Fund) which derives its revenues from fees that are ultimately charged to Hawai'i's public utility customers. The Forum notes that the PUC Special Fund is paid for by utility customers for adequate regulation of public utilities. The clear priority in managing and allocating revenues from this fund should be adequate and effective funding of the PUC and DCA, the two agencies with the responsibility to ensure that utility expenditures and the resulting rates charged to utility customers are reasonable and in the public interest.

The Forum also notes that adequate and efficient funding of the PUC and DCA is clearly cost effective for the State of Hawaii. It simply does not make sense to hobble the effectiveness of agencies tasked with oversight and gatekeeping responsibilities over expenditures of \$4 billion annually. The adage "penny-wise and pound-foolish" applies here, except with a lot more zeroes and several commas.

SB 2948 would remove a hindrance in the effective funding and management of the PUC.

**The Forum therefore SUPPORTS SB 2948.**

Thank you for the opportunity to testify.

*This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies or organizations.*



**Directors**

Jody Allione  
Silver Ridge

Joe Boivin  
Hawaii Gas

Kelly King  
Pacific Biodiesel

Warren S. Bollmeier II  
WSB-Hawaii

TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE  
HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE  
SENATE COMMITTEE ON  
COMMERCE AND CONSUMER PROTECTION

SB 2948, RELATING TO THE PUBLIC UTILITY COMMISSION

February 6, 2014

Chair Baker, Vice-Chair Taniguchi, and members of the Committee, I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance ("HREA"). HREA is an industry-based, nonprofit corporation in Hawaii established in 1995. Our mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of our goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purpose of SB 2948 is to clarify the authority of the chairperson of the public utilities commission concerning operational expenditures and the hiring and retention of agency personnel

HREA **strongly supports** this measure as it will allow the Commission to be more efficient and effective in its operation.

Mahalo for this opportunity to testify.



# LIFE OF THE LAND

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## COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair

DATE: Thursday, February 06, 2014  
TIME: 9:15am  
PLACE: Conference Room 229

SB 2948 PUBLIC UTILITIES COMMISSION                      STRONG SUPPORT

Aloha Chair Baker, Vice Chair Taniguchi and Members of the Committee

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for four decades. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

SB 2948 strengthens the ability of the PUC to manage its budget and personnel. We strongly support the bill.

The job of being a Legislator, a Judge or a PUC Commissioner is tough. It can't be done without staff. Each legislator, Judge and the Chair of the PUC are allowed to hire staff to help them. These staff members are separate from Committee and Commission Staff which work for the whole.

\*\*\* The two junior PUC Commissions do not have their own staff. SB 3087 authorizes commissioners other than the chairperson to hire 2 staff members each. Life of the Land believes that this idea should be incorporated into SB 2948.

Mahalo

Henry Curtis  
Executive Director



**SB2948**

Submitted on: 2/4/2014

Testimony for CPN on Feb 6, 2014 09:15AM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
sally kaye	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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